

KENTUCKY DEPARTMENT OF EDUCATION

STAFF NOTE

Action/Discussion Item:

Release of Frankfort Independent from a Declaration of Emergency

Applicable Statute(s) or Regulation(s):

KRS 160.470, 160.550

History/Background:

Existing Policy. In August, 2006, Frankfort Independent submitted an Annual Financial Report in deficit status. The Kentucky Board of Education (KBE) enacted a declaration of emergency. The declaration of emergency required the approval of the chief state school officer for any expenditure, authorization, employment, purchase or contract. The Office of District Support Services (ODSS) has provided management assistance to the district since the declaration of emergency.

If a school district is the subject of a declaration of emergency as a result of a deficit budget, pursuant to KRS 160.550, the district must remain in that status until the KBE has approved a budget for the district for a succeeding fiscal year.

The district has responded well to management assistance from the Kentucky Department of Education (KDE). The Frankfort Independent school district submitted its Annual Financial Report for fiscal year 2006-07 in July 2006, with a contingency balance in excess of 2%. The Frankfort Independent working budget for the 2007-08 fiscal year as submitted in September 2007, maintains a contingency balance in excess of the required 2%. With ODSS approval of the independent auditor's report for 2006-07, the 2007-08 Frankfort Independent working budget can be approved by the Kentucky Board of Education.

Staff Recommendation and Rationale:

Once the independent auditor's report for 2006-07 is approved by ODSS, the district will have met all requirements to be released from emergency status. KDE staff will report on the status of this approval at the December meeting prior to action being considered. If the independent auditor's report is approved at that point, then KDE staff will recommend approval of the 2007-08 working budget for Frankfort Independent and its release from the declaration of emergency.

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Deputy Commissioner

Interim Commissioner of Education

Date:

December 2007